



State of New Jersey

Department of the Treasury

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Sales Tax Revenues Set New Record in August as Car Sales and Construction Activity Showed Gains

TRENTON – New Jersey’s sales tax collections set a new record in August, coming in at \$739 million, 1.9 percent ahead of the budgeted amount.

Dr. Charles Steindel, chief economist for the New Jersey Treasury Department, said the gain “likely reflected a strong increase in car sales as well as step-up in construction activity.” He also noted that “sales tax collections have run ahead of their budgeted amount every month this year, except in February, when they ran even with the forecast amount.”

The performance of the State’s income tax remained stable with \$767 million collected in July and August, 0.4 percent more than the budgeted amount.

“The continued strength and stability of New Jersey’s sales and income tax collections are key indicators of the consistency and resilience of our continuing economic recovery,” said State Treasurer Andrew Sidamon-Eristoff.

The results reported for August reflect the initial fiscal year-end allocation of revenues between Fiscal Year 2013 which ended on June 30 and Fiscal Year 2014 which started on July 1.

STATE OF NEW JERSEY
MONTH AND YEAR-TO-DATE CASH COLLECTIONS
Fiscal 2014 - AUGUST 2013 versus 2012

(\$ Thousands)

AUGUST		% Change		AUGUST - YTD		% Change
2012	2013			2012	2013	
\$ 673,163	\$ 625,935	(7.0%)	Gross Income Tax	\$ 780,063	\$ 767,632	(1.6%)
652,415	739,554	13.4%	Sales	652,415	739,554	13.4%
52,828	43,311	(18.0%)	Corporation Business	118,202	98,698	(16.5%)
81,247	83,585	2.9%	Lottery	152,429	161,229	5.8%
38,148	37,521	(1.6%)	Motor Fuels	38,148	37,521	(1.6%)
-	-	-	Motor Vehicle Fees (b)	-	-	-
61,124	61,662	0.9%	Transfer Inheritance	98,210	114,685	16.8%
24,459	18,605	(23.9%)	Casino Revenue	44,077	37,607	(14.7%)
12,058	12,888	6.9%	Insurance Premium	15,197	13,928	(8.4%)
-	-	-	Cigarette (a)	-	-	-
17,570	20,847	18.7%	Petroleum Products Gross Receipts	17,570	20,847	18.7%
4,524	1,238	(72.6%)	Corp. Banks & Financial Institutions	5,216	553	(89.4%)
121	177	46.3%	Alcoholic Beverage Excise	121	177	46.3%
15,477	22,403	44.8%	Realty Transfer	15,477	22,403	44.8%
2,002	1,909	(4.6%)	Tobacco Products Wholesale Sales (a)	2,002	1,909	(4.6%)
-	-	-	Public Utility	-	-	-
<u>\$ 1,635,136</u>	<u>\$ 1,669,635</u>	2.1%	Total Major Revenues	<u>\$ 1,939,127</u>	<u>\$ 2,016,743</u>	4.0%

(a) Pursuant to P.L. 06-37, revenue collections of \$396.5 million from the cigarette and tobacco products wholesale sales tax are deposited in the Health Care Subsidy Fund. Pursuant to P.L. 04-69 \$0.0325 per cigarette is dedicated to pay debt service on the Cigarette Securitization Bonds.

(b) Pursuant to P.L. 03-13, \$244.9 million of FY 2014 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

**STATE OF NEW JERSEY
FISCAL YEAR 2014
REVENUE SOURCE
BUDGET VERSUS ACTUAL
MONTH OF AUGUST 2013
(\$ Thousands)**

Revenue Source	AUGUST		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 636,000	\$ 625,935	\$ (10,065)	(1.6%)
Sales	725,500	739,554	14,054	1.9%
Corporation Business	60,000	43,311	(16,689)	(27.8%)
Lottery	81,200	83,585	2,385	2.9%
Motor Fuels	45,100	37,521	(7,579)	(16.8%)
Motor Vehicle Fees (b)	-	-	-	-
Transfer Inheritance	66,400	61,662	(4,738)	(7.1%)
Casino Revenue	18,600	18,605	5	0.0%
Insurance Premium	7,800	12,888	5,088	65.2%
Cigarette (a)	-	-	-	-
Petroleum Products Gross Receipts	21,000	20,847	(153)	(0.7%)
Corp. Banks & Financial Institutions	7,000	1,238	(5,762)	(82.3%)
Alcoholic Beverage Excise	100	177	77	77.0%
Realty Transfer	29,200	22,403	(6,797)	(23.3%)
Tobacco Products Wholesale Sales (a)	1,900	1,909	9	0.5%
Public Utility	-	-	-	-
Total Revenues	<u>\$ 1,699,800</u>	<u>\$ 1,669,635</u>	<u>\$ (30,165)</u>	<u>(1.8%)</u>

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(c) Monthly budgets are estimates based on long-term, intra-year revenue collection patterns and fiscal year projections. Because of fluctuations in revenue collections from year to year, one month's collections may differ dramatically from year-earlier figures and budgets without necessarily affecting total revenue collections in a fiscal year.

**STATE OF NEW JERSEY
FISCAL YEAR 2014
REVENUE SOURCE
BUDGET VERSUS ACTUAL
FOR THE TWO MONTHS ENDED AUGUST 31, 2013
(\$ Thousands)**

Revenue Source	AUGUST		Variance Over/(Under) Budget	% Variance Over/(Under) Budget
	Cash Budget	(c) Actual		
Gross Income	\$ 764,300	\$ 767,632	\$ 3,332	0.4%
* Sales	725,500	739,554	14,054	1.9%
Corporation Business	125,200	98,698	(26,502)	(21.2%)
Lottery	160,700	161,229	529	0.3%
* Motor Fuels	45,100	37,521	(7,579)	(16.8%)
Motor Vehicle Fees (b)	-	-	-	
Transfer Inheritance	114,600	114,685	85	0.1%
Casino Revenue	37,200	37,607	407	1.1%
Insurance Premium	10,900	13,928	3,028	27.8%
Cigarette (a)	-	-	-	
* Petroleum Products Gross Receipts	21,000	20,847	(153)	(0.7%)
Corp. Banks & Financial Institutions	5,100	553	(4,547)	(89.2%)
* Alcoholic Beverage Excise	100	177	77	77.0%
* Realty Transfer	29,200	22,403	(6,797)	(23.3%)
Tobacco Products Wholesale Sales (a)	1,900	1,909	9	0.5%
Public Utility	-	-	-	
Total Revenues	<u>\$ 2,040,800</u>	<u>\$ 2,016,743</u>	<u>\$ (24,057)</u>	(1.2%)

* Revenues are on a one month lag. All other revenues represent two months of cash collections.

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(b) Pursuant to P.L. 03-13, \$244.9 million of FY 2014 Motor Vehicle Fee collections are dedicated to the New Jersey Motor Vehicle Commission.

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The foregoing cash budget estimates were prepared in June 2013 in connection with the adoption of the Fiscal Year 2014 budget. Such estimates and the assumptions supporting them were based on information at the time of the projections, are believed to be reasonable, and are not construed as assurances of actual outcomes. All such estimates of future revenues constitute forward-looking statements and may or may not be realized because of a variety of economic and other circumstances.